GOVERNMENT OF INDIA
PETROLEUM AND NATURAL GAS
LOK SABHA

UNSTARRED QUESTION NO:3701
ANSWERED ON:17.04.2008
DEMAND OF LNG
Oram Shri Jual

Will the Minister of PETROLEUM AND NATURAL GAS be pleased to state:

(a) the total demand of Liquefied Natural Gas (LNG) in the country during the Eleventh Plan;

(b) the expected production of LNG by Gas Authority of India Ltd. (GAIL) Oil and Natural Gas Corporation (ONGC) and other PSUs in that Plan;

(c) whether the Government continue to import LNG to meet country's domestic demand; and

(d) if so, the MoU signed/proposed to be signed for the purpose?

Answer

MINISTER OF STATE IN THE MINISTRY OF PETROLEUM & NATURAL GAS(SHRI DINSHA PATEL)

(a) Demand of LNG is not assessed separately. It depends on the overall demand of natural gas in the country. According to the Report of Working Group on Petroleum and Natural Gas Sector for XI Plan the demand of natural gas at the end of XI Plan, is expected to be 279.43 Million Standard Cubic Metres per Day (MMSCMD).

(b) LNG is not produced in the country. it is imported into the country and, thereafter, converted to Regasified LNG (RLNG). The Working Group Report has projected LNG imports during 2011-12 of 23.75 Million Metric Tonne (MMT), which translates to about 83.12 MMSCMD of RLNG.

(c) Government intends to continue to bridge the gap between demand and supply, inter alia, through LNG imports.

(d): Petronet LNG Limited (PLL) signed a contract with RasGas, Qatar in July 1999 for import of 75 Million Metric Tonnes per Annum (MMTPA) LNG for a period of 25 years. As per the contract, supply of 5 MMTPA LNG commenced in 2004 and the supply of remaining 2.5 MMTPA will commence in 2009. Further, Petronet LNG Ltd. (PLL) has signed a contract with RasGas, Qatar in July 2007 for supply of 1.25 MMT LNG for a period of 1 year.

A Sale-Purchase Agreement (SPA) was signed on 13th June, 2005 in Tehran for 5 million metric tonnes per annum (MMTPA) of LNG between the National Iranian Gas Export Company (NIGEC) and the Indian Consortium of GAIL (India) Limited (GAIL), Indian Oil Corporation (IOC) & Bharat Petroleum Corporation Limited (BPCL). The contract period is for 25 years, beginning from the last quarter of 2009. Simultaneously, the parties have also signed a side letter to the LNG SPA on 13th June, 2005, as per which NIGEC desired to obtain the approval of their parent company, National Iranian Oil Company (NIOC), for the SPA to become effective. NIGEC has not conveyed NIOC's Board approval till now.